

AMENDED IN SENATE MAY 10, 2011

SENATE BILL

No. 690

Introduced by Senator Hernandez

February 18, 2011

An act to add Section 1373.15 to the Health and Safety Code, and to add Section 10177.15 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 690, as amended, Hernandez. Health care coverage: discrimination.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law prohibits certain discriminatory acts by health care service plans and health insurers. *Existing federal law, beginning January 1, 2014, prohibits a group health plan and a health insurance issuer offering group or individual health insurance coverage from discriminating with respect to participation under the plan or coverage against any health care provider who is acting within the scope of that provider's license or certification under applicable state law.*

This

Beginning January 1, 2014, this bill would prohibit a health care service plan contract or health insurance policy that is issued, amended, renewed, or delivered on or after January 1, 2014, insurer from discriminating against any health care provider who is acting within the scope of that provider's license, as specified.

Because a willful violation of the bill's provisions relative to health care service plans would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1373.15 is added to the Health and Safety
2 Code, to read:

3 ~~1373.15. (a) No health care service plan contract that is issued,~~
4 ~~amended, renewed, or delivered on or after January 1, 2014, shall~~

5 *1373.15. (a) Beginning January 1, 2014, no health care service*
6 *plan shall discriminate with respect to provider participation or*
7 *coverage under the plan against any health care provider who is*
8 *acting within the scope of that provider's license or certification.*

9 (b) Notwithstanding subdivision (a), this section shall not be
10 construed to require that a health care service plan contract with
11 any health care provider willing to abide by the terms and
12 conditions for participation established by the plan or issuer.

13 (c) Nothing in this section shall be construed as preventing a
14 health care service plan from establishing varying reimbursement
15 rates based on quality or performance measures.

16 (d) *This section shall be implemented pursuant to the provider*
17 *nondiscrimination provisions established in Section 2706 of the*
18 *federal Public Health Service Act (42 U.S.C. Sec. 300gg-5), and*
19 *any federal rules or regulations issued under that section.*

20 SEC. 2. Section 10177.15 is added to the Insurance Code, to
21 read:

22 ~~10177.15. (a) No health insurance policy that is issued,~~
23 ~~amended, renewed, or delivered on or after January 1, 2014, shall~~

24 *10177.15. (a) Beginning January 1, 2014, no health insurer*
25 *shall discriminate with respect to provider participation or coverage*
26 *under the policy against any health care provider who is acting*
27 *within the scope of that provider's license or certification.*

1 (b) Notwithstanding subdivision (a), this section shall not be
2 construed to require that a health insurer contract with any health
3 care provider willing to abide by the terms and conditions for
4 participation established by the insurer or issuer.

5 (c) Nothing in this section shall be construed as preventing a
6 health insurer from establishing varying reimbursement rates based
7 on quality or performance measures.

8 (d) *This section shall be implemented pursuant to the provider*
9 *nondiscrimination provisions established in Section 2706 of the*
10 *federal Public Health Service Act (42 U.S.C. Sec. 300gg-5), and*
11 *any federal rules or regulations issued under that section.*

12 SEC. 3. No reimbursement is required by this act pursuant to
13 Section 6 of Article XIII B of the California Constitution because
14 the only costs that may be incurred by a local agency or school
15 district will be incurred because this act creates a new crime or
16 infraction, eliminates a crime or infraction, or changes the penalty
17 for a crime or infraction, within the meaning of Section 17556 of
18 the Government Code, or changes the definition of a crime within
19 the meaning of Section 6 of Article XIII B of the California
20 Constitution.